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Aspects Of Organizational Learning: Four Reflective Essays

Jerrold A. Walton
University of Pennsylvania, jwalton231@comcast.net

Submitted to the Program of Organizational Dynamics in the Graduate Division of the School of Arts and Sciences in Partial Fulfillment of the Requirements for the Degree of Master of Philosophy at the University of Pennsylvania
Advisor: Larry Starr

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FOUR REFLECTIVE ESSAYS

by

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Philadelphia, Pennsylvania

2010

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FOUR REFLECTIVE ESSAYS

Approved by:

_____
Martin Stankard, Ph.D., Reader

_____
Dana Kaminstein, Ph.D., Reader

_____
William Wilkinsky, Ph.D., Reader

_____
Charline Russo, Ed.D., Reader

ABSTRACT

This thesis presents my responses to questions posed by four professors with whom I studied while completing my coursework in the Organizational Master's Degree program at the University of Pennsylvania. My paper will present various perspectives on learning organizations – organizations characterized by a capability to adapt to changes in environment.

All questions posed by each professor impact learning organizations in some manner. Dr. Stankard's questions focus on the roadblocks organizations face when transforming to learning organizations. Dr. Kaminstein's questions center on how organizations can become less individualistic and more team-centered. Dr. Wilkinsky queried how developmental coaching might be used to increase organizational performance. Finally, Dr. Russo asked how to address the misalignment that occurs when the leader-manager's coaching model is not the same as the larger organization.

This project has allowed me to investigate and reflect on potential key drivers of organizational learning. I have learned that a multitude of individual and organizational complexities – internal and external – affect and determine if organizations learn and whether learning is sustained. To successfully navigate those complexities through planned interventions is a core tenet of organizational development and the hallmark of a true learning organization.

ACKNOWLEDGEMENTS

I would like to thank my “Quartet” - Professors Stankard, Kaminstein, Wilkinsky and Russo, for their dedication to learning, guidance and the exceptional amount of time spent with me. If this collection of essays motivates the reader to challenge his/her organization to become a true “learning organization”, the credit goes to the quartet who inspired me to learn more deeply, be courageous, and not look back.

Secondly, I thank my wife for her unyielding support and for sustaining as an academic widow, especially during the past several months.

Finally, I must thank the countless classmates who have made my learning experience at PENN so rewarding, and the Dynamics’ staff who are always there for support, encouragement, and for “making it happen.”

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CHAPTER 1

INTRODUCTION

This thesis combines academic research with personal philosophy and is shaped by years of exposure to corporate organizations and academic institutions. My recent position as the lead manager of a very successful company-wide return on invested capital (ROIC) program challenged me to look more deeply at missed opportunities for improving human performance.

Research indicates how a pervasive transformation is can be fundamental to both individual performance and organizational sustainability. I see learning as a path for transformation. Successful learning organizations constantly adapt to both their internal and external environments, and over time transform to achieve sustainability. With the assistance of several professors, I wanted to explore practical topics that potential or existing learning organizations might face.

All four essays are similar in structure. Each contains an introduction, central argument, background for the question, response to the question, and concluding remarks. In Chapter 2 I respond to a question posed by Professor Martin Stankard with whom I studied Dynamics 634 - Art and Science of Process Improvement. I address several difficulties associated with converting from a hierarchical, bureaucratic firm to a learning organization. In Chapter 3 I respond to a question presented by Professor Dana Kaminstein with whom I studied Dynamics 651 – Group Team Dynamics. I address the topic of moving from an

individualistic organization to one that encompasses team concepts and a team culture. In Chapter 4 I discuss possible manifestations of an effective developmental coaching program when instituted in a learning organization. This discussion was based upon my studies with Professor William Wilkinsky with whom I studied Dynamics 641 – The Art and Science of Organizational Coaching. Finally, in Chapter 5, I reply to a set of questions posed by Professor Charline Russo with whom I studied Dynamics 602 – The Leader/Manager as Coach. In Chapter 5 I address potential challenges that leaders/coaches face when their coaching models are misaligned with the larger organization.

CHAPTER 2
ROADBLOCKS WHEN TRANSFORMING TO A LEARNING ORGANIZATION

Introduction

My initial essay will discuss several hurdles encountered by organizations when transforming to learning organizations. In order to provide a richer context, this essay begins with an extended background, followed by Professor Stankard's question, my response to the question, and concluding remarks.

Argument of this Essay

Transforming to a learning organization is both cognitive and political. Requisite skills for an effective change agent include an acute awareness of the needs of others (cognitive) and a constant reconciliation of individual concerns versus organizational objectives (political).

Context and Background for the Question

Among the influential factors for writing this collection of essays was a substantive perspective on leadership offered during coursework with Dynamics 634 - Art and Science of Process Improvement. Although the course followed the syllabus and provided an abundance of process improvement tools and methodologies, a real bonus was the engaging discussions on the subject of leadership. Those unique sessions were engaging and illuminating. I distinctly remember one particular class when the question, "What makes a good leader?", was raised by two students. An insightful, involved and impassioned discussion

ensued. Every student could remember a person or persons who influenced them in a meaningful and productive way during important formative years. Those interactions were instrumental in formulating various views on leaders and the impact of leadership.

Consistent in all comments was a learned and subsequently internalized value. The overwhelming majority of the relationships were related to either school (teacher/student) or sports (coach/player). The class agreed that the teachers and coaches appeared to be honestly interested in the success of their charges. In all cases that interest was manifested in teachers/coaches who challenged students/players to believe in themselves and to “dig deeper.” I observed what appeared to be several “Aha moments” after the class collectively compiled a comparative list of the characteristics reflected in good teachers/coaches versus good leaders.

Layering those adolescent experiences over years of organizational life led to several interesting paradoxes that emerged during subsequent class discussions including: 1) titles vs. demonstrated leadership (Does a title denote leadership?), and 2) success vs. leadership (Does organizational success, evidenced by promotions, mean that one is a leader?). In concluding the discussion on one particular day, the class determined that the following characteristics are essential qualities of effective leaders:

1. Being passionate about a subject, topic or cause;
2. Inspiring others to achieve;
3. Demonstrating the belief that others can be successful beyond their expectations;

4. Setting high standards;
5. Coaching/teaching others to acquire skills needed to exceed those standards.

An effective leader is "hard on the work, but easy on the people" and realizes that in many cases it's the process – not the staff – that requires some measure of objective intervention (DYNM 634, Spring 2008).[1] Ultimately, that effectiveness is demonstrated through a proper mix of process and people. Process improvement tools are a necessary but non-exclusive dimension of positive organizational change.

After explaining the larger purpose of my paper, I met with Professor Stankard to discuss a question or issue related to various perspectives about learning organizations.

Question from Professor Stankard

Professor Stankard posed this set of questions: Why is it so difficult to convert from a hierarchical, bureaucratic firm to a Learning Organization? What are the bottlenecks? Are they cognitive, political?

Response

A Brief on Bureaucratic, Hierarchical Organizations

Let me first offer a positional and somewhat broad summation on bureaucratic hierarchies. Traditional bureaucratic hierarchies, whether private or public, are often associated with giving order, predictability and legitimate rights to wield power to its officeholders (Britannica Concise Encyclopedia). The image of these structures is one of imposing change, rather than adapting to change,

instilling compliance, as opposed to welcoming innovation, and forceful authority instead of collaboration. Additionally, the traditional bureaucratic paradigm capitalizes on functional hierarchical line management, inward focus, cutting costs, complying with rules, respecting hierarchy, dividing labor into simple and narrowly defined jobs, and promoting standardized production and fixed automation (Jamali, Khoury, Sahyoun, 2006).[2]

Global, political, social and economic forces have had a huge impact on organizational structures and values. Increasing technological complexities, changing lifestyles and expectations, coupled with the rise of knowledge workers, have reshaped management processes and are challenging organizations to evolve beyond the traditional bureaucratic model to meet sophisticated expectations for performance (Drucker, 2001).[3]

Higher expectations have forced some leaders to consider alternate organizational structures to counter the limitations imposed by traditional bureaucratic, hierarchical arrangements. Hirschhorn, for example, has posited that the pace of economic change has pushed firms to maximize human capital utilization. "The leader no longer charts the organization's work, with subordinates lined up to do the bidding. Instead, the leader and the subordinates must collaborate (Hirschhorn, 1990)."[4] Visualizing, communicating and implementing a constantly evolving "future state" for the firm, as it responds with finite resources to meet customer preferences and environmental needs, is what a great leader does……with assistance and help from many. A central tenant of learning organizations is recognizing and harvesting the unique talents of a

diverse workforce – diverse in the sense of perspectives and personal experiences, such that when cultivated, develops into a constantly evolving and innovative source of capital. A bountiful harvest is not possible without a capable farmer.

It Takes a Fearless Leader with a Compelling Story

> "As in all situations, the determining factor will be our attitude, how we ***choose*** to look at this reality. If we give in to the fear, we will give disproportionate attention to the negative and manufacture the very adverse circumstances that we dread. If we go the opposite direction, cultivating a fearless approach to life, attacking everything with boldness and energy, then we will create a much different dynamic (Greene, 2009)."[5]

I submit that as every person is different, so is every organization. Given that submission, the following would hold true: all organizational structures learn, some learn better than others. While there are similarities between firms within specific industries, the human component of organizations (its values and culture) is distinct. Although it is beyond the scope of this essay to offer a "boiler-plate template" for transforming to a learning organization, my experience does point to one consistent characteristic of learning organizations and what aids their sustainability - charismatic, courageous and competent leaders. Without them, no successful radical transformation change will likely occur or sustain.

Central to creating a learning organization, briefly defined as "a systems-level concept in which the firm is characterized by a capability to adapt to

changes in environment (SHRM, 2009),"[6] are leaders – "selfless, competent individuals who are committed to envisioning, inventing and sustaining organizations as a system of cooperating parts/people focused on a mission to make everyone more of a winner" (Stankard, 2008).[7] To some degree, all members of an organization are actors in the theatre of organizational change. Different roles are assigned, assumed, and largely driven by the pervasiveness and complexity of both internal and external forces as well as by the events that impact the larger organization and its individual actors. Crucial leadership roles can be filled by an amalgam of high performing teams and seemingly solitary players. However, radical transformation – particularly in bureaucratic, hierarchical organizations – is certainly very difficult without a capable and willing CEO.

A Disciplined Approach

The direct link between delegated authority and influence can make the CEO position a make-or-break proposition for implementing transformational change. Unlike a strategic process improvement, transforming to a learning organization requires deeper levels of "being" from the agents of change, especially the CEO. Further to this point, Peter Senge's *The Fifth Discipline*, discusses five disciplines that interface and support one another to create an environment where learning can occur (Senge, 1990)[8]:

1. Systems thinking – a conceptual framework that makes patterns clearer and helps one see how things interrelate and how to change them.

2. Mental models – our deeply ingrained assumptions that influence how we understand the world and how we take action.
3. Personal mastery – the high level of proficiency in a subject or skill area.
4. Team learning – aligning and developing the capacity of a team to create the results its members' desire.
5. Shared vision – a look into the future that fosters genuine commitment and is shared by all who need to possess it.

Describing the above characteristics as "disciplines" speaks to their personal and profoundly internal nature. Indeed, to lead a learning organization, one must be devoted – not just compliant. To fulfill the vision espoused by Senge, the CEO must have other disciples who genuinely share a similar view of themselves, people and organizations. Actualizing a learning organization is an ongoing, committed process. The continuous evolution must allow for lessons of experience (the values learned from failure) to occur. Jim Collins (2009) wrote:

> "The signature of the truly great versus the merely successful is not the absence of difficulty, but the ability to come back from setbacks, even cataclysmic catastrophes, stronger than before. Great nations can fall and recover. Great companies can fall and recover. And great individuals can fall and recover."[9]

Purposeful Work

In the article, The Role of Personal Meaning in Charismatic Leadership, Sosik posits that the extraordinary character of charismatic leaders enables them to be not just sources of influence but something more profound – leaders who

can make work for their followers purposeful (individually and collectively), valuable and efficacious (Sosik, 2000).[10] Purposeful work, or the difference between having a job and having responsibility, is akin to performing transactions (job) versus transforming the world (responsibility). Chapter 5 of this paper mentions SAS, the privately held software company under the helm of Jim Goodnight. His philosophy has long been to demonstrate an honest concern for employees. "The point of the benefits is to keep people," said Goodnight as well as,

> "And if you keep people and make your people happy, they're going to make your customers happy. And if your customers are happy, they're going to make the company happy. So, it's sort of a triangle there that you have to always keep in mind."[11]

I remember attending one executive staff meeting where the CEO, in an honest display of emotion, recalled that during the quarterly earnings investor report period, he arrived to the office very early and saw one particular employee – a manager who had left late the previous evening after submitting needed reports, at his desk. When asked by the CEO why he had come in so early, the employee responded, “Just to see if I could help with things.” At the staff meeting, the CEO discussed why that type of employee behavior motivates him to push even harder. The room fell silent. It was not uncommon for this CEO to recognize lower ranked employees during executive staff meetings as a reminder of the support and recognition they need and deserve to make the entire firm successful.

During our town hall meetings, the CEO would remind employees of the larger goals at hand for our firm, how they connect with the industry, and the need for vigilant citizenry (community service). He scheduled lunch sessions with all new employees at headquarters and solicited their input on how organizational life suited them. Again, this was part of his personal conviction, a desire to be accessible and responsive to all employees.

A Nurturing Climate

Establishing a nurturing and supportive environment is essential to sustaining the learning organization. As a guide, the Society for Human Resource Management outlines several top-level characteristics of an organizational learning climate (SHRM, 2009)[12]:

1. Learning is performance-based and is tied to business objectives.
2. Importance is placed on how to learn, not just what to learn.
3. The organization continues to develop knowledge, skills, and abilities.
4. People take responsibility for their own learning.
5. Learning is matched to people's learning preferences.
6. Learning is both a part of work and a part of everyone's job description.

According to the American Society for Training and Development (ASTD), Malcolm Knowles, one of the central figures of adult education, defined the andragogical approach to the learning climate as being relaxed, trusting, mutually respectful, informal, warm, collaborative, and supportive with openness, authenticity, and humaneness as key contributing factors.[13] Unlike my graduate

academic environments, during my 35+ years of employment at large and small firms, I have never directly encountered an organization that reflected all of the attributes included in the Knowles model. In their defense, none of those firms were considered to be learning organizations, nor for that matter, wished to be. The reasons for this cannot be painted broadly except to say that I cannot recall one individual that demonstrated – consistently – equal portions of charisma, courage and competency. Those individuals are rare, but then again, so are firms like SAS. Goodnight recognized long ago that high investment in aggregate human capital (direct costs + supportive environment) = high customer satisfaction = profitability. Organizations that create opportunities, incentives, and capabilities to discover and act on people's passions achieve high retention rates and become learning environments (Hagel, Brown, Davison, 2009).[14]

It often appears that internalizing the deeper dimension of managing human capital – that people (both in and out of the firm) are the only thing that matter – is contrary to the transactional nature of the traditional bureaucratic, hierarchical economic model. A colleague commented,

> "OK, so everybody wants to get paid. I get that, and I know we all need to make changes. But it seems like some people want to get paid <u>a lot</u>, and worse than that, some want to make sure they get paid <u>a whole lot more</u> than others."

Underpinnings of the inequities in "how business is done" are exhibited in the refusal to address pervasive process shortcomings by our legislative and business leaders. Surveys that indicate high levels of mistrust for government

officials and the finance industry speak to more than the emotional anger of the recently unemployed. The structures and systems that appeared to serve us now seem injurious and deficient.

The Need for a Systems View

The recent tsunami in the global economy can lead one to believe that "our systems are failing, and their failures are coming to the surface: they do not serve people. The current crisis will not go away because we're just operating on the symptoms (Senge, et al, 2005)."[15] An integrated systematic view of issues is lacking, and the courage to sacrifice short term gain for long term benefit is sorely needed. Privately-held firms tend to be more courageous - perhaps they can lead the way.

Organizations cannot be separated from their external environments. The behaviors and actions we see outside the confines of a firm permeate its existence like the air we breathe. If environments where humans truly learn how to be "responsibly productive" are to become common – not aberrant – then different mental models for thinking and behaving are paramount. In *Presence*, The Society for Organizational Learning (SoL) suggests that developing a capacity for delayed gratification for seeing the longer term effects of actions is imperative, especially for those who are cast as leaders.[16] It is understood that this view is contrary to the current 24/7 model that clamors for the next thing by yesterday – but learning and reacting are very different.

Organizational Learning is Transformational

Learning is experiential – asking questions on "why" are as important as understanding the "how." Innovation often occurs from challenging previous assumptions, perspectives and deeply held beliefs from prior experience. Further, critical reflection, considered to be a core element of transformational learning, questions the integrity of deep-seated mental models with intent to transform perspectives (Taylor, 2009).[17] Requisite dialogue to enable an evolution of transformational learning can only happen if the organizational climate promotes factually supported and respectful discourse. However, the value of and need for concerted action in organizations – to satisfy the customer – cannot be overstated. Balancing the needs of a learning environment where dialogue and discourse are essential, with the practical needs of task accomplishment requires thoughtful, ongoing give-and-take.

Storytelling is a helpful tool to promote collective accomplishments in the organization. Establishing a repository for innovative ideas and cascading them throughout the firm creates favorable competition and dialogue. All employees enjoy attention that comes with doing "something for the team and something for the customer." If supporting structures are built such that those ideas are recognized and communicated, then an important value is developed and reinforced.

At one of my previous firms we laid the foundation for a process to encourage innovation; linked behaviors reflected in innovation to specific corporate values; acknowledged employees for their contributions/acts; travelled

throughout the firm to garner support; and benefited from executives whose compensation was tied to results of the process. While the process was deemed hugely successful both inside and outside the firm, in my view we only touched the surface of making a significant impact. Specifically in one area, quantification and measurement, strategic opportunities were left on the table.

Taking a Balanced Approach to Quantification and Measurement

The quicker employees know where they stand in an organization, the faster their responses will be felt. If the process for informing them is trusted and respected, behaviors learned from that process will be enforced. The analogy that comes to mind is driving a fast car on the interstate. Without a speedometer, the risk of going fast and getting a traffic violation is increased. Using the speedometer provides instant feedback – data leading to knowledge, such that a more informed decision can be reached.

Often the method for influencing behavior involves the performance appraisal process that generally takes place on a formal basis at least annually, and in some cases, semi-annually or quarterly. Informal reviews can happen at any time. From personal experience, I’ve found this subjective attempt to quantify performance fraught with misinterpretation, inconsistencies, and overwhelming disapproval by all but a HR department in denial.

What appears to be lacking is an objective task or function based dashboard specifically designed for the employee, that provides clearly defined, quantifiable, and reachable (stretch targets) goals. Examples of the types of

questions and linkages that probe those areas and suggest a written, personal commitment are:

1. After discussion with my manager, we agree that if I _____, it will help my department _____, which in turn helps my company by_____.
2. My actions will impact and involve the _____departments, so I plan to collaborate with_____ as well.
3. Further, accomplishing items 1& 2 demonstrate _____, which are key values for my company.
4. The metrics I'll use to gauge my performance are_____, and are included on my dashboard.
5. Potential variables and factors to be considered are_____.
6. To reach these goals I would like _____.

An effective performance management system (PMS) ultimately leverages strategy execution to drive value; it is systematically linked to specific targets for improvement and specific initiatives designed to enhance performance (Huselid, et al, 2005).[18] The specificity requires a thorough understanding of the workforce and industry; applying a general template for employee performance will not work. Further to this point are five key elements of an HR Scorecard[19] as noted in Table 1.

Table 1. HR Scorecard

Workforce Success	Have we delivered on each of the key elements contained in the workplace scorecard – that is, workforce success, leadership and workforce behaviors, workforce capabilities, and workforce mind-set and culture?
HR Function & Workforce Costs	Is our total investment in the workforce (not just the HR function) appropriate (not just minimized)?
HR Alignment	Are our HR practices aligned with the business strategy and differentiated across positions where appropriate?
HR Practices	Have we designed and implemented world-class HR management policies and practices throughout the business?
HR Professionals	Do our HR professionals have the skills they need to design and implement a world-class HR management system?

The central behavioral principle surrounding scorecards is this: “People play differently when they’re keeping score” (Covey, 2005).[20] Visible, clearly-defined and compelling measurements help to build a sense of “team spirit”, urgency and active communication. “Active” communication refers to the dissemination of knowledge that results in a corresponding action, rather than “nice-to-know” information. Active communication leads to certain preferred behaviors that – in the context of organizations – has an impact on at least two people: the employee receiving the information (employee A), and the person who will be affected by the knowledge employee A has acquired.

Collecting data to be synthesized into information and ultimately useful knowledge instills a disciplined, objective approach to framing issues and events. While data can be interpreted in different ways, a process that obligates employees to support assertions and positions with tangible, relevant data bolsters the ability to question and respond. Effective scorecards are customized, visual, interactive tools that communicate intelligence gathering, support effective inquiry and lead to responsive action.

Concluding Remarks

Many firms are led by individuals who have the capability, but for various reasons do not choose, to transform their firms into learning organizations. Becoming a learning organization does not guarantee economic success; there are always factors that could impact a firm's sustainability, regardless of how pervasive Senge's and other aforementioned disciplines are embedded. No one scorecard or magic bullet will save a failing company or ensure continued profitability. Even if all employees of a firm feel positive about its culture, there is a risk of failure.

The principles of a learning organization offer an alternate organizational design to complement global knowledge workers of today and tomorrow. By virtue of their constant adaptation to internal and external stimuli, coupled with a platform of inner connectivity (systems thinking), true learning organizations approach business with a sense of intelligence, humility, human respect, curiosity, and intrepidity.

The lust for profits, often to the detriment of the consumer, runs counter to the attributes of a learning organization but unfortunately is embodied in the fabric of Western individuality. Power and control are very seductive – having both are essential for individual success in corporate life. Making the type of wide-scale organizational change associated with becoming a learning organization involves some measure of pain and/or apparent sacrifice. Change is a situation that interrupts normal patterns of organization and calls for participants to enact new patterns of behavior (Mintzberg & Waters, 1985).[21] In a

society where so many want more, few are willing to have less….unless forced to. Then there are those who, through various life-experiences, acquire a different perspective or mental model of how organizations could function more effectively for a collective good. Making a decision to transform to a learning organization is both cognitive and political. The cognitive aspects – having knowledge of what learning organizations are; developing a strategic plan for adapting the processes, climate, operations, culture, etc., such that an existing firm would improve how it learns, are just as important as recognizing and responding to the political roadblocks of selfish power acquisition and actions that seek control over others. If one is committed to becoming a change agent, requisite skills include an acute awareness of the needs of others (cognitive) and a constant reconciliation of their concerns with the larger, organizational objectives (political). The major points of my argument are captured in Table 2 on the following page.

Table 2. Transforming to a Learning Organization

Transforming to a Learning Organization

Major Points

#	Major Point	Assumption or Premise	Current Reality (or Realities)	Adverse Impact on the Transformation to a Learning Organization	Prescription
1	Hierarchical, bureaucratic organizations must evolve to address new realities	Members of those organizations wish to change	Collectively, members of the organization are incapable of making needed changes	Membership does not learn how to transform and therefore does not adapt	Personal and professional fulfillment will follow those who sincerely participate in building a learning organization
2	Compelling leadership can transform organizations	Assumes the most capable are chosen as leaders	Social group dynamics and politics are huge factors when designating authority figures/appointed leaders	Individuals who demonstrate courage, charisma and competency are not rewarded in traditional organizations	Ineffective leadership and subpar organizational results; financial rewards for the few relative to fulfillment for many
3	A nurturing climate is essential to establish and sustain learning organizations	An organization's leaders comprehend and agree that a nurturing climate is strategically important	Reward systems do not provide incentives to substantially improve the existing climate	Traditional views on managing the organization continues	Current reward systems must accurately reflect strategic objectives that focus on building a learning organization
4	Disciplined, objective processes lead to an efficient organization	Firms have sufficient resources to establish the needed processes	A short-term view and related pressures (from stockholders) often preclude the needed protracted approach to effecting organizational change	Long term financial health of the organization is compromised	Improved education and messaging; a change in how shareholders value firms
5	A "systems thinking" perspective will transform organizational structures	Unanimity on how systems thinking should be applied	Many are unwilling to give up related power and control from existing organizational structures	Organizational connectivity and process linkages do not evolve	Competent, courageous and charismatic leaders

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CHAPTER 3
MITIGATING INDIVIDUALISM AND PROMOTING TEAM-CENTEREDNESS IN ORGANIZATIONS

Introduction

This essay will focus on some key elements in the process of transforming individualistic organizations to more team-centered ones. The essay begin by providing some background on the significance of related coursework on work-teams to the author; then presents three recurring root factors that influence a successful learning organization: culture, design, and performance. The assigned question from Professor Kaminstein is followed by a series of responses using culture, design and performance as frameworks. Below are the pivotal points of this essay:

1. Culture: A deeper understanding and deployment of work-teams, along with the promotion of team-centered values (i.e. collectivism and trust) can make organizations less individualistic.

2. Design: The shift to a team based culture is best achieved through transformational leadership, sustained through supportive systems and processes, and reflected in social cooperation.

3. Performance: The power of work-teams is demonstrated by a mutually beneficial, collective achievement of the organization's business results.

Argument of this Essay

Human capital in organizations is best deployed in an environment that supports team-centeredness. Connected to this argument is the position that sustainability, effectiveness and development of work-teams are enhanced when an organization becomes less individualistic and more collectivist in behavior.

Context and Background for the Question

Establishing a Nurturing Team Environment

The preceding chapter covered one of many transformational and strategic questions facing CEO's – Does my firm effectively capitalize on its human capital? Am I extracting maximum contributions from my employees? If the CEO can answer "yes!", then the essence of transforming to a learning organization has most likely occurred and continuous improvement to existing processes and structures are requisite next steps. However, if the answer is no, and the CEO is committed to creating a learning organization – a firm characterized by a capability to adapt to changes in environment (SHRM)[1] – then the organization must embark upon a pervasive transformational process, beginning with a strategic self-assessment to analyze perceived deficiencies from the current organizational to the potential benefits that transforming to a team-centered culture would provide.

Successful learning organizations recognize the positive relationship between an organization that nurtures creativity and innovation. The profitable outputs from a learning organization are innovative behaviors that fuel an organization's competiveness; without the license to innovate there is no

creativity. “Creativity, in turn, is a fragile resource that can be nourished or destroyed by the social dynamics of the organization.”[2] The social dynamics of an organization - “how things are done” - are linked to complex issues such as power, authority, communication, competency, geographic location, etc. Successful learning organizations are adept at navigating, and in some cases capitalizing on the interpersonal sensitivities often created by those complex issues. What aids the navigation and allows creativity to flourish is an environment that essentially promotes “individuals” to willingly work effectively as a “unit.”

Sustaining a learning organization calls for social structures that recognize and respond to the aforementioned complexities while ensuring both individual growth and corporate profitability. In addition, maximizing the return on human capital often means having individual performers work more effectively as a team. Efficient teams are a prime example of functional group structures that are deployed to accomplish certain organizational tasks and objectives.

Well functioning work-teams (author’s note: for the balance of this chapter, “team” and “work-team” have identical meaning) are extremely familiar facets of organizational life. Inherent in effective teams are four features: (1) a team task, (2) clear boundaries, (3) clearly specified authority to manage those tasks, and (4) membership stability over some reasonable period of time (Hackman, 2002)[3]. The concept of teams can evoke mental and emotional images that communicate messages and shape culture. This perspective, coupled with the communal

solace often found in groups formed for a shared purpose, can be an asset when establishing teams to achieve some collective purpose, goal or identity.

For instance, not long ago I headed a project to increase participation in a company-wide idea generation program. To raise involvement at our power plants, I organized teams of employees, had the group select champions, and worked with the formed groups to establish metrics and reporting standards. While the corporate group established the standards for reporting and measurement, each plant team had flexibility in drafting its own agenda, moniker, and action items. The scheduling of regional updates heightened spirited competition between the plants and boosted team solidarity and increased job focus. One plant manager commented, "Jerry, the year-over-year improvements in plant efficiency have been impacted by striving to meet the goals of this program. My guys have been determined to do better."

The Impact of Work-Teams

Within organizations, teams are a vehicle for executing much of a firm's mission, generally by achieving stated objectives and by sustaining a competitive advantage (Govindarajan & Gupta, 2001).[4] Most formal projects are executed by teams. Regardless of organizational structure – functional, divisional or matrix, teams are an integral part of how work processes are conducted. The size and scope of large-scale organizations necessitates teams for effective operations.

The cumulative impact of Dynamics 651

My professional and academic experiences prior to taking Dynamics 651 helped to shape a view that positive team environments are a crucial factor in cultivating human capital and transforming organizations to have a stronger emphasis on learning. While I had already believed that teams provide an opportunity for demonstrating civility, respect and responsibility, the course was instrumental in demonstrating specific tools (observation, analysis, communication and self-assessment) to improve group cohesion and throughput.

Therefore, I met with Professor Kaminstein to formulate a question related in some way to Learning Organizations.

Question from Professor Kaminstein

Professor Kaminstein posed this set of questions: How do you move from an individualistic organization to one that encompasses team concepts and a team culture? How is the shift made? What is needed? How is the power of teams illustrated?

Response

1. Culture: A deeper understanding and deployment of work-teams, along with the promotion of team-centered values (i.e. collectivism and trust) can make organizations less individualistic.

Effective Teams and Collectivism

People with individualistic tendencies seek to maximize their welfare, regardless of others' welfare (Argyle, 1991).[5] Individualistic organizations tend to

place a priority on pursuing and maximizing individuals' goals, and members are rewarded for performance based on their own achievements.

On the other hand, collectivist organizations are motivated by collective goals, cooperative action and rewards for joint contributions to the organization (Triandis, 1989).[6] As teams can be rewarded for accomplishing group objectives, to a certain extent those teams function with a collectivist agenda; members tend to place a priority on mutual benefit, gaining social approval and working together with others toward a common end or purpose (Argyle, 1991).[7] Accordingly, one could safely infer that those organizations who actively seek to maximize the development of teams and promote a team based culture are in fact demonstrating collectivist tendencies. This is not a radical position. If an employee freely chooses to be a member of a firm with an established and overtly collectivist culture, that employee, if he or she wishes to be rewarded, will attempt to behave in a collectivist manner to achieve his or her personal goals, even though his predilection is decidedly individualist (Wagner, 1995)[8]. It's innately human to look out for oneself and be driven to satisfy the needs and desires for the self. Even those who sacrifice much of their life in the service of others, whether family or unrelated, I submit, are performing those deeds because of a personal/individual need to do so. Acting individualistically does not imply that one is acting selfishly.

Using a central definition by Wagner and Moch (1986)[9], collectivism occurs when the demands and interests of the group take precedence over the desires and needs of individuals. Collectivists look out for the well-being of the

groups to which they belong, even if personal interests must be disregarded. These are not absolute positions; implied are shades of gray with respect to levels of collectivism and individualism. All members of a given work-team wish to be paid, and as their compensation is impacted by the results of the team, they are individually incented to work collectively. The challenge for the larger organization is to promote and recognize behaviors that make teams successful.

The Beginning Steps for a Team-centered Cultural Change

While an argument can be made for organizations with a largely individualistic culture, (Enron, for example, although it was short–lived) I contend that a strategy to transform an individualistic organization to a culture that exemplifies team-based values begins with three primary requirements: (1) comprehending and recognizing the distinction between individualism and collectivism and the tension between them; (2) pursuing a rational and passionate preference for collectivism as the dominant behavior for the organization; and (3) agreement on points 1 and 2 by senior leadership – especially the CEO and the Board of Directors.

Reiterate Why Teams Matter

A rational preference for collectivism recognizes the ongoing and occasionally difficult choices people make in selecting the benefits of the group, team or firm over the individual and why those choices are necessary (Chatman, Barsade, 1995)[10]. Empathy from senior leadership with respect to those tough choices, coupled with a supportive reward system can reinforce the team-

centered objective. Successful learning organizations seek to accentuate and highlighting actions and behaviors that are consistent with the organization's values, mission and strategies. Therefore, a constant reiteration and exemplification of the collectivist ideals with respect to effective teams should be an integral part of the transition plan.

It is also important that employees comprehend how their individual goals can be achieved in the context of a team and why accomplishing those individual and joint contributions matter to the organization. Without joint cognition, full participation and cooperation with team related activities may be difficult. That comprehension process begins with hiring workers who recognize and willingly accept the view that personal ambition to the detriment of others is not acceptable, and will be enforced by the reward or performance management system in place at the firm.

The Organizational Purpose Should be Greater than Making Money

As an example, Enron, while not the only highly successful individualistic organization, is certainly a familiar one. Much has been written about its competitive, self-serving organizational structure and a culture that demonstrated an effective reward system to attract highly competent and motivated employees (Banerjee, 2002).[11] Numerous "paper" profits generated by Enron were from energy and commodity trading and the creation of complex tax related operating companies, chiefly earned by "gaming" the system. Although using Enron as an example of individualism-run-amok might be valid, I cannot support the position that individualism alone is a precursor to either business failure or a culture of

descent or immorality. However, as research does lend credence to the notion that successful team-based structures do require measured self sacrifice, establishing a culture that rewards team-based behavior, coupled with respect for the individual, (again citing the firm SAS as an example - see Chapter 2), should be effective in mitigating individualism that is adversely selfish.

Transformations Require Trust

Prior to leaving this point, I must briefly mention the significance of nourishing a climate of trust within the organization. Three levels of trust: strategic (Are those who run the company making the right decisions?), personal (Are managers treating their subordinates fairly?) and organizational (Are processes well designed, consistent and fair?), are essential for facilitating inter and intra work-team function. The social dynamics that exist in teams should ideally be addressed and encountered with interpersonal team-building competencies and behaviors. Improving social dynamics is an on-going, critical characteristic of learning organizations. To allow the give-and-take needed to maintain relationships – especially the non-transactional connections found in organizational settings – team participants must demonstrate all three types of trust. The strategic, personal and organizational aspects of trust establish a facilitating level of comfort and purpose between members of the team. Trust helps to mitigate disagreements, and as research has demonstrated, is directly and positively linked to corporate performance (Galford and Drapeau, 2003).[12]

2. Design: The shift to a team based culture is best achieved through transformational leadership, sustained through supportive systems and processes, and reflected in social cooperation.

Strategic Transformation Starts at the Top

Chapter 2 highlighted how essential the CEO is in the transformation to a learning organization. Similarly, given the seismic cultural shift associated with moving an individualistic organization to one that demonstrates team-based concepts and behavior, a successful transformation would be unlikely without a willing, passionate and competent CEO. In addition, because the desired end state is a cultural transformation, the attributes of leadership demonstrated by the senior team are considerably more vital to a favorable outcome than if the objective were to modify or devise a more visible and tangible strategic process.

Have a Compelling Story

Assuming the CEO and senior team agree to transform the organization to one with more team-centeredness, substantial consideration should be given to answering three basic questions from their employees (Fisher, 1994)[13]:

1. Why should we change?
2. What happens if we don't change?
3. What's in it for me?

The level of employee commitment to welcoming and participating in any strategic organizational change is directly proportional to the compelling case made in response to each of those questions. For example, the need for team-centeredness (question #1) must be comprehended by the entire organization

and fit with its larger mission and strategy. An effective transformation to team-centeredness occurs when employees realize that their individual actions – within the team – are recognized, rewarded/punished and most of all, needed for the firm to sustain.

External Resources Can Help

While offering a concrete team-centered action plan is firm specific and beyond the scope of this essay, it is assumed that any diagnosis supporting the transformation to a team-centered culture would be executed with guidance from outside consultants at some point during the process. Specialists with sufficient experience and success at executing strategic cultural transformations tend to be scarce at most organizations. Besides, it's difficult to maintain the required levels of objectivity when one is directly impacted by such a pervasive cultural shift. A complex, protracted cultural transformation to team-centeredness is best addressed with support and guidance from external resources with experience in transforming organizational culture, developmental coaching and establishing extensive training. Research shows that implementation failures usually involve the failure to acknowledge and build the needed skills and organizational capabilities, to gain support of the workplace, and to support the organizational changes and learning required to behave in new ways (Tenkasi, 1998).[14] In addition, evidence also indicates that the predominant reason for team performance problems is a lack of attention to people issues (Campany, 2007).[15] A balance must be struck between attention to the task and attention to the people.

Align Pay and Strategies

At a minimum, any strategic transformation would include modifications to the organization's reward/compensation and performance management systems (questions #2 & #3) to ensure alignment with a team-centeredness culture and competitive, motivational incentives. The pay system should be designed from the individual, team, and organizational perspective. For example, under a transformed organization, employee pay would aggregate the following factors based under internal and external company-specific conditions[16]:

1. Base compensation and benefits
2. Capability (Competency)
3. Individual Incentives
4. Recognition
5. Project team incentives
6. Organizational unit incentives

Depending on the pervasiveness of the shift, changes to the reward and performance management systems (AKA pay systems) would be the most visceral and far reaching element of any implemented plan. A central theme in developing the new pay systems is the involvement of all levels of employees in its design and administration. The objective is to promote ownership and acceptance by the workforce, such that intended individual team and organizational behaviors occur. Congruence of the pay systems with clearly defined and communicated goals and objectives aid alignment of team-based behaviors with performance. The primary outputs associated with an effective pay system are the attraction and retention of employees, motivation and

performance, skills and knowledge, and culture (Lawler, Mohrman, 2003).[17] The impact of those outputs is contingent upon the goal and effectiveness of the transformation to team-centeredness.

Promote Social Cooperation

Social cooperation is also influenced by the organization's pay systems - its distribution of profits – and should reflect the significance of a team/collectivist culture. Social cooperation in this sense is defined as the "willful contribution of personal effort to the completion of interdependent jobs that is essential whenever people must coordinate activities among differentiated tasks" (Wagner 1995).[18]

Social cooperation facilitates constructive working relationships and allows for the attainment of personal and organizational goals. Relationships between team members might be thought of as "organizationally" transactional; constituting an ongoing and respected connection that is based upon common links to the organization.

Ultimately, social cooperation turns out to be more than a cultural norm; it becomes an embedded process for interaction within teams and among employees. Fundamental to teams are socially cooperative behaviors that are supported by pay systems that set rewards for work and by performance management systems that guide and report the effectiveness of work.

To recap point two, team-centeredness is realized when an organization that is driven by transformational leaders creates an innovative climate for team

effectiveness by establishing systems and process to support team based activity.

3. Performance: The power of work-teams is demonstrated by a mutually beneficial, collective achievement of the organization's business results.

Results Matter

The core reason for creating teams is to effect human performance improvement (HPI) structures such that the organization's business results are also improved. The positive relationship between effective teams and business results are widely known. For example, a 1987 study conducted by the Center for Effective Organizations concluded that teams are more popular in the United States workplace, and employee involvement leads to better performance (Lawler 1999).[19]

Effective Teams Overcome Social Conflicts

The proliferation of teams is logical given the increase in specialized workplace skills and the conjoining nature of global enterprise. From a basic function or process perspective, teams are formed primarily under the assumption that aggregate individual employee contributions amount to less than the total output from an effectively run team.

To that end, highly effective and powerful teams, regardless of rank or authority, are able to sufficiently resolve or transcend personal identity and relationship issues (jointly referred to as group dynamics), and achieve intended, defined and measurable outcomes (ASTD, 2006).[20] In doing so, teams become

a potentially forceful channel for increasing employee engagement and participation throughout the organization.

Group dynamics are affected by many of the factors mentioned earlier and also include: behavioral styles and personalities, power and influence strategies, organizational culture, expertise and group facilitation skills. A system-wide, proactive and responsive intervention in those areas demonstrates an organization's commitment to social cooperation, and fosters a climate that enables organizational learning to become actionable and worthwhile. Consistent reminders by senior leadership of a team's individual and collective successes also increase the sense of self-efficacy among members of the team. This practice essentially empowers the team to feel more capable and influential (Choi, 2006).[21]

Diversity can be an Asset

Teams are the ideal vehicles for traversing complex terrain. Being comprised of a diverse selection of members allows a team to draw upon multiple sources and mental modeling. Granted, this diversity can also create obstacles for joint effectiveness, i.e. social dynamics issues, but if the entire organization is committed to the team model, in time those concerns will be lessened – but not eradicated – through retention and reward policies. The upside of addressing the social dynamics for teams is that it creates a more socially adjusted citizenry. Overcoming the deeper fears and obstructions to working with a diverse team can also benefit individuals in their non-working relationships. Building upon a point I stated earlier in this chapter, the social

setting for teams allows for the development of a local, collective purpose that offers a more fulfilling sense of work.

Nurture Innovation

Enabling the full power of teams will happen only if organizations embrace innovation as a core philosophy. Internalizing innovation as an exhibited value would mitigate some concerns with the "fear of failure" trap. To innovate is to recast; to make change. Effective teams provide a positive atmosphere, cooperative relationships, balanced participation and the type of open and clear communication suitable for idea generation (Biech, 2003).[22] Innovation needs a process that focuses people on the right challenges and leads them through an organized process of releasing creativity and evaluating results (Wycoff, 2003).[23]

Concluding Remarks

Individualism is a cornerstone of American values. It is often – even romantically, linked with life, liberty, and the pursuit of happiness. While it is doubtful that those societal ideals will change dramatically in the near future, (*author's confession – I am not a social scientist)* I do agree that core collectivist values can have a positive impact upon teams, especially when team-centeredness is an objective of a learning organization. I have attempted to demonstrate that the cardinal attributes of effective teams are essentially "organizationally collectivist." Transforming an individualistic organization, where the "I" maters most, to a team-centered firm, where the "we" matters more,

impacts three dimensions of organizations as discussed in this paper: culture, design and performance.

Successful organizations have realized that efficient teams – where individual contributions still matter but are rewarded only when the team is successful – are a powerful force for achieving business results. The global economy is forcing business leaders to reconsider individual contributors as the standard for long-term profitability. In a team-centered environment, task, people and processes are aligned with the firm's mission, values and strategy to achieve business results. Sustaining an organizational transformation is of course an immensely complex and on-going process and reflective of a true learning organization.

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CHAPTER 4
USING DEVELOPMENTAL COACHING TO INCREASE ORGANIZATIONAL PERFORMANCE

Introduction

Thus far I've presented two central attributes of learning organizations – committed, competent and courageous leadership, as discussed in Chapter 2 and instilling a team-centered culture, as described in Chapter Three. I will now focus on the practice of developmental coaching as a tool for learning organizations.

This essay will present the following positions with respect to developmental coaching in the context of a learning organization:

1. Design - The acceptance and effectiveness of a developmental coaching program are contingent upon a company-wide comprehension of developmental coaching practices and their connection to achieving the firm's strategic mission.
2. Culture - Sustaining developmental coaching requires a climate where positive inquiry, dialogue and innovation are promoted and rewarded.

Argument of this Essay

The themes of design and culture form the basis of my argument: developmental coaching can be an effective practice for establishing transformational, performance based relationships between employees and the organization.

Context and Background for the Question

The coursework in Dynamics 641–Organizational Coaching, specifically the study of Carl Rogers, had a profound effect on both my view of coaching and overall engagement strategies with others. Interpretively, the course highlighted a confluence of factors – family, self, environment and, of course, the firm – that very often we cannot control, but must respond to. The energy and attention people need is often redirected from other events, thereby having an adverse impact upon on-the-job performance. Additionally, I intended to develop a model to identify and visually portray several components of productive interpersonal relationships in organizations, using the coach/client pairing as a basis.

So with the aforementioned background, I met with Professor Wilkinsky to discuss a question for my capstone paper that is related in some way to learning organizations and coaching.

Question from Professor Wilkinsky

Professor Wilkinsky offered the following set of questions: How does developmental coaching manifest in a learning organization? What is the impact? What is needed for an effective developmental coaching process to be sufficiently established within the organization?

Response

1. Design - The acceptance and effectiveness of a developmental coaching program are contingent upon a company-wide comprehension of

developmental coaching practices and their connection to achieving the firm's strategic mission.

A Primer on Developmental Coaching - Definition and Perspective

Changing organizational demands and employee values have led to a broader view of coaching that expands its scope to include learning related to improved personal performance (Cunningham & Honold,1988; Evered & Selman, 1989).[1,2] Expanding this role results in developmental coaching, which can be described as helping the individual learn, grow, and change (Witherspoon and White, 1997).[3]

I view developmental coaching as a tangible, physical, and therefore measurable technique; guided by the underlying principles of organizational learning, and ultimately deemed effective if it results in behaviors and actions that show a positive adaptation to events. In an organizational context, learning is experiential – there must be an event associated with acquired knowledge such that an action occurs. As organizational learning is continuous, new information is constantly processed to determine subsequent actions. Ideally, there must be a consistent need to improve performance. Organizations that comprehend the potential value of human capital recognize the strategic need to promote workforce capabilities through learning and development. By implementing a committed developmental coaching policy/system, organizations are seeking to achieve ever-increasing levels of performance excellence. The exact purpose of developmental coaching is to promote learning such that individual performance is enhanced (Locke, 2008).[4]

Developmental coaching has its roots in the field of behavioral psychology and its domains in organizational development, education, and personal growth. It is aligned with Frederick Herzberg's theory that individuals are motivated by five key factors inherent in their work: challenge, growth, sense of contribution, recognition, and responsibility (Herzberg, 1987).[5] Coaching stimulates employee engagement by satisfying these needs.

Developmental Coaching has a Positive Impact on the Bottom Line

For developmental coaching to pay dividends in an organization, the level of commitment must be deliberate and enduring (Ericsson, et al, 2007; Locke, 2008).[6] For example, a 2005 study conducted by Watson Wyatt Worldwide of North American companies concluded that organizations that have "superior human capital practices" generate excellent returns for their shareholders (Salopek, 2000).[7] In the findings from the Wyatt study, a MetrixGlobal survey revealed that business coaching produced a 78 percent return on investment (ROI) in addition to intangible benefits to the business that were not measured (Jayne, 2004).[8] Finally, a study issued by the International Personnel Management Association revealed that while workforce training increases productivity by 22 percent, training combined with coaching results in an overall productivity gain of 88 percent (Berard, 2005).[9]

Developmental Coaching is a Deliberate, Long-term Practice

The above examples help to illustrate that coaching is not a process to produce a "quick fix" of any substantial value. Instead, effective developmental

coaching programs are predicated upon a long-term objective – to achieve superior individual performance. To make this "end state" a reality, organizations must demonstrate a long-term commitment, vis-à-vis financial and other assets, to embed developmental coaching as a strategic function of Human Resources.

While the benefits from an effective coaching program can be seen in the areas of profitability, employee satisfaction, innovation, retention and customer service, creating an environment or culture where the entire workforce is engaged to enable those benefits is, by design, a protracted undertaking. Further to this point, in his study of data compiled for *Built to Last*, author and researcher Jim Collins found that "enduring great companies passionately adhere to a set of timeless core values and pursue a core purpose beyond just making money (Collins, 2009)."[10] Eventually, those timeless core values become intertwined with accurate descriptions of the firm. Even as the firm's strategies might change to meet periodic goals and objectives, its comprehension of and allegiance to those core values should remain steadfast. As I was once reminded by one senior executive, "What an organization truly values is demonstrated by its behavior."

Designing a Developmental Coaching Program

An organization should undergo various levels of self-assessment and related diagnoses to determine its particular need for and breadth of a developmental coaching program. At a minimum, the design and implementation of a successful developmental coaching program would avoid three common "pitfalls" (Wigman, 2003)[11]:

1. The lack of support for a developmental coaching program.
2. Confusion about what developmental coaching is.
3. Poor coaching practices.

The lack of support for a coaching program is occasionally due to organizations' leaders viewing the coaching program as less of a priority than more quantitative and financial obligations. When the leader's performance is measured by operational or process criteria, they naturally tend to overlook "the human and behavioral aspects of change, typically leading to disastrous results (Malone, 2001)."[12] One way to address this shortcoming is by creating reward policies - as part of the performance management systems discussed in Chapter 2 - that are more quantitatively focused. The intent is to close the gap between performance, which is often seen as the manager's role, and development, which is normally assigned to Human Resources (Hargrove, 2003).[13] For example, in an organization where workforce scorecards are deployed, learning and development are key performance indicators (KPI). Through collaboration with Human Resources (where HR is either serving as or working closely with the developmental coach), the functional manager and the employee, metrics/personal scorecards are devised to reflect behavioral performance objectives (Becker, et al; 2005).[14] Results from the personal scorecards are then aggregated and included as part of the functional manager's performance rating. Scorecards help to objectify behavior, provide measurable feedback and reduce confusion about the coaching program.

Confusion can also be reduced by communicating, on a company-wide basis, what developmental coaching is (and what it is <u>not</u>); how the

implementation of a developmental coaching program aligns with the organization's mission, strategies and values (why the company is doing it); and expected benefits from the program (what's in it for the employees). The communication strategy should be deployed in such a manner that all employees can ask questions, discuss concerns, make suggestions and participate in the design of the coaching program.

Finally, one way to lessen the occurrence of poor coaching practices is by instituting quality control standards prior to launching the program. An effective quality coach is one that facilitates others to develop self-thought, generate areas for improvement and determine solutions for the future. Competent quality coaches help others realize their personal limitations through useful coaching conversations (Whitaker, 2009).[15]

2. Culture - Sustaining developmental coaching requires a climate where positive inquiry, dialogue and innovation are promoted and rewarded.

Make Developmental Coaching Part of the Corporate Identity

Humans are extremely complex; the amplitude of behaviors brought to and demonstrated at places of employment, coupled with or triggered by events often outside the firm, create vast challenges to achieving what appear to be even simple strategic objectives. Although the creation of a "learning-friendly" environment is largely the responsibility of the firm's senior leadership team, practitioners of developmental coaching, especially those in Human Resources, must have a system-wide and person-specific focus on human capital. With a

person-specific focus of developmental coaching, the larger, strategic goals of the firm can become successful through a cultivated collaboration by individuals. This collaboration, and the requisite deeper trust that makes those interactions productive and fulfilling, are cultivated by treating each engagement as if it were planned to become transformational, not transactional.

Rooted in the act of establishing transformational relationships are the three things – congruence, respect and empathy – that Rogers considered necessary and sufficient as a therapist (Kirschenbaum, Henderson, 1989).[16] Fusing the Rogerian view with developmental coaching forms deeper, evolving questions regarding how some organizations, especially those with commercially successful products and services fail, and if those failures would have been mitigated had effective developmental coaching been practiced.

My framework on developmental coaching is also shaped by Rogers' view that a therapist is there to support and facilitate learning, not to give answers. The "client" must be allowed to grow; to move towards a state of constant discovery and development (Rogers 1965).[17] Shaping this perspective helps to connect individual/organizational growth with learning and performance to facilitate strategic change.

Paramount to facilitating strategic change is a culture that supports developmental coaching; where a "regular review of performance and just-in-time feedback is expected Lindbom 2007)."[18] The expectation of feedback is the catalyst for improvement. When an employee expects their behavior and actions to undergo constructive, results-based criticism as a matter of course,

they tend to seek more feedback and therefore see value in the developmental coaching experience. A pattern of feedback and constructive criticism can be productive providing that the larger organization has established processes, procedures and most of all, the internal and external resources to effectively coach and improve performance. In many cases this will include performance management tools, mentoring and training (Lindbom, 2007).[19]

By consistently providing sufficient organizational support for a developmental coaching program with financial and other resources, a visible, tangible, link can potentially be established between the organization's identity and developmental coaching. The organization sends a profound message that "we are committed to improving the development of, and performance from, our employees." Because of the tremendous levels of trust required between participants to make the coaching relationships effective, employees should feel "psychologically safe" - comfortable to make mistakes, learn, and improve (Edmondson, 2008).[20] The overall trust of a corporate coaching program is strengthened when employees see sincere and committed efforts on a company-wide basis, along with tangible benefits from the coaching process for both individuals and the larger organization.

Concluding Remarks

Evidence supports the position that developmental coaching is an ideal, but often misapplied or underutilized practice for improving human performance. Establishing an effective developmental coaching program – because of its focus on creating transformational, performance based relationships – requires

comprehension and pervasive organizational support. Developmental coaching is not for all organizations. Every firm has unique characteristics. An effective coaching program should build upon those unique qualities and reflect the firm's culture, history and other specifics.

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CHAPTER 5
CHALLENGES TO INDIVIDUAL/ORGANIZATION MISALIGNMENT

Introduction

My final essay will center on the challenges encountered by leader/managers when their coaching model is not aligned with the larger organization. As in previous chapters, the essay begins with context for the topic of misalignment and is followed by Professor Russo's question, my response to the question and concluding remarks.

This essay will present the following positions with respect to the leader-manager/coach misalignment issue:

1. Culture: Successful and mutually beneficial organizational relationships can mitigate misalignment through a climate of shared commitment, trust and continuous learning.

2. Performance: Performance measurement systems that target employee development and fulfillment can help to reduce organizational misalignment.

Argument of this Essay

Learning organizations mitigate misalignment by linking and clearly communicating work tasks, team projects and corporate strategies, and by utilizing reward systems that to promote innovation and creativity.

Context and Background for the Question

I was attracted to Dynamics 602 - Leader-Manager as Coach, because of its focus on executive coaching as a core requirement for effective leadership

and team building. My role as a designer and facilitator of quantifiable process innovations enlarged a long held, yet evolving view that for organizations to maximize value from human capital, technically proficient leaders-managers and coaches are required. Given this view, I registered for Dynamics 602 - Leader-Manager as Coach to learn and develop coaching skills for application in organizational settings.

Question from Professor Russo

Professor Russo offered the following group of questions: As a leader/manager who is leading through coaching and building/sustaining a learning organization in his/her area of responsibility, what are the challenges the leader/manager faces when this model is not the core of the larger organization? How do these challenges manifest themselves? Can alignment be developed? How does the leader/manager create alignment or manage misalignment?

When considering process improvement/systems changes in the organization, how does the leader/manager ensure that the 'people' dimension of the change process is included in the process?

Response

1. Culture: Successful and mutually beneficial organizational relationships can mitigate misalignment through a climate of shared commitment, trust and continuous learning.

Cultural Manifestations of the Individual/Organizational Mismatch

Depending on the situation, participants and environment constituting the mismatch – (ordinate vs. subordinate, team vs. member, department vs. organization), the symptoms of a mismatch can manifest in various forms; an absence of trust, a fear of conflict, a lack of commitment, or an avoidance of accountability (Lencioni, 2005).[1] Challenges with cultural misalignment faced by leader/managers often revolve around several issues:

1. Clarity and collective purpose
2. Servant leadership
3. Political sensitivity and awareness
4. Divergent dialogue
5. A climate of recognition
6. Connectivity of functional areas

Lack of Clarity and Collective Purpose: In an ideal scenario, written and demonstrated behaviors would be comprehended, connected and task specific. For example, although a typical Senior Accountant and Director of Sales of the same company would perform different roles and engage in a dissimilar set of processes for the benefit of their direct constituents, the collective message that links and gives meaning to their respective functions should be known to each of them. Knowledge of how tasks and functions fit in the larger picture helps to shape a systems thinking view of the organization; “I can respect your role as we all have a job to do and may need to accomplish it differently.” The corporate culture’s shared values become the glue that binds individual actions.

Comprehension of the organization's collective message by its employees is a vital component of high performance organizations (Hackman, 2009).[2] In addition, both the Accountant and Director should have a cross-understanding of their respective roles and be in accord with how each co-worker's role adds value to the organization. This cross-understanding and accordance could lead to a directional awareness of the types of behavior co-workers might demonstrate to achieve value. Earning value from inter-functional relationships is especially a priority with team like structures or groupings, where reward systems can promote collective goal achievement and reinforce alignment.

How effective this collective message is dispersed and understood throughout the firm is a reflection of the organization's leadership team. A shared understanding of the firm's mission/purpose, values and strategy is conducive to minimizing individual/organization misalignment (Garvin, 2000).[3] Promoting, facilitating, modeling and exampling that shared understanding is a prime example of leadership. Open and accessible relationships between members of the organization establish guidelines for acceptable behavior. A minimal distance should exist between leaders and those being led (Lawler, 2009).[4] Leaders must be in a position to create an environment where they can receive direct feedback and assess how line managers and their subordinates are responding to ever-changing strategies to collectively further the corporate mission and reduce misalignment. While senior leadership is ultimately responsible for cascading a consistent and meaningful message, it is the line

managers who have the most impact on shaping a corporate culture (Lawler, 2009).[5]

Importance of Servant Leadership: Tangent to effective messaging or communication competence as described above is the philosophy of servant leadership (Blanchard, 2007).[6] Servant leaders make the choice to lead and stress the belief that to serve others is the leader's main aim. A servant leader is considered successful whenever the followers gain and achieve goals that help them grow as persons, become wiser, healthier, more autonomous, and more likely to become servant leaders themselves (Bass, 2000).[7] Rather than seeking to please their bosses, which is often a source of individual/organization mismatch, servant leaders believe that if impacting the lives of others is the primary objective, the organization will benefit as well. Blanchard calls this process "bringing out the magnificence in people."[8]

Political Sensitivity and Awareness: Leader-managers in the role of effective change agents recognize the value of political awareness and seek to strengthen their political muscles in the same way that a dancer uses Pilates. The intent is not for visual display - like a weightlifter who wishes to display muscularity - but to be like a formless vessel, attempting to manifest a required movement and/or feeling. As Pilates helps to stretch, condition and strengthen various muscles, so the politically savvy change agent – indiscriminately – searches for comprehension of the shifting tides of political influence. Politics in organizations is a matter of power – which [one] has control over whom. An indiscriminate search in this case is largely transactional; the intent is move

pieces along the chessboard, not to become emotionally involved. Passion is to be internalized and displayed only for the effect of causing a needed reaction from another party. Keep in mind that political behavior is necessarily human. Even a withdrawal from active political concerns can be considered a political act (Ackoff, 1981).[9]

Viewing organizations as systems is vital to implementing strategic change because of the interdependency of large-scale organizational structures. For example, implementing performance improvement in only one functional part of the firm without taking into account the impact on the entire firm may not result in the intended performance gains and could have an adverse effect (Ackoff, 1981).[10] Displaying an acute awareness and sensitivity to a shifting political landscape facilitates needed negotiations (give-and-take) between different parts of the system/organization. Having the skills to facilitate organizational change enables alignment.

If a leader- manager is to effect change within a specific part of the organization, he or she must demonstrate a recognition and respect for the interdependency and interconnectedness of all parts. For example, a politically astute CFO might delay trimming the IT budget even if it means less money for his department because he/she recognizes that customer support might be adversely impacted, resulting in a negative long term cash flow to the organization. From a systems perspective, if the desired strategic change does not have a corresponding, measured and welcomed effect on the aggregate system, then most likely the change should not be implemented.

Political sensitivity is a prime example of social awareness, which is one of the four competencies of Emotional Intelligence – self awareness, self-management, social awareness and relationship management (Goleman, 2002).[11] For change agents to become effective *leaders* of change, a *committed, ongoing* pursuit of mastery is essential in two competencies – awareness and management – and on two levels – the self and non-self. Management of the non-self refers to the building and sustaining of mutually beneficial relationships between individuals, groups, and the environment. It is a reciprocal, non win-lose association, and should not be confused with seeking power or control over others. While everyone brings certain values and beliefs to an organizational setting, humans are adaptive; they can be strongly influenced and motivated to learn in productive ways and in accordance with certain group norms, if the rewards or trade-offs are considered worthwhile.

In sum, an effective leader-manager fully recognizes that attempting to prescribe sub-cultural behaviors can be risky and could result in political discord between members of the department and higher-ups outside of the department. Cultural transformations can create trauma in the larger organization and may not be worth it. Sensing the political winds and proceeding cautiously is advisable.

Divergent Dialogue: Thought-provoking discussions, apparent in a climate where creative dissonance is welcomed, can also deter organization/individual mismatch. Creative dissonance can be a source of innovation and cultivation for the firm. Studies have shown that Gen Xers, for example, expect to be employed

at many firms during their work lives and to be technologically proficient. Both conditions - multiple employers and the desire to use the latest technology, embody willingness for accepting change. This attitude of accepting change as a constant will permeate the organizations that employ them. Firms that create a climate where the needs of different generations are respected gain an advantage by keeping a pulse on external societal trends. The “whole person” comes to the job every day; understanding the myriad of internal and external issues that affect the workforce in order to adjust reward and compensation is sensible human capital management.

Firms are challenged by the need to accept creative dissonance as a fact of life. Senior executives, in particular, must collaborate with Human Resources and all functional areas to cultivate an environment that coordinates/shepherds the natural tensions in all organizations into connected systematic measured performance. Innovation, defined in Webster’s Collegiate Dictionary as “a new idea, method, or device”, and divergent thinking are directly related. Firms such as SAS Institute have recognized the value of and linkage between divergent thinking (creative dissonance), innovation, financial performance and low employee turnover.

Wright and Snell make the case for decentralized HR strategies, as “each unit may have unique competitive circumstances requiring a unique system of HR practices.”[12] In other words, if a leader-manager is able to develop a set of processes and behaviors that improve performance, yet are favorably different from the norm, then actions should be viewed on their merits, and not be

misconstrued as misalignment. In fact, this example is indicative of how misalignment can become transformative - when a group of employees, perhaps in middle management or even in senior positions, determine and then develop alternative, proven, more effective methodologies that require different behaviors from those prescribed by the larger culture.

Promote a Climate of Recognition: Organizational discord can occur when held perspectives or mental models prevent commonalities or synergies to develop - when the “me” precludes “we”. Individual behavior in organizations is strongly influenced by pay systems that are built upon the “me”, and the need to be closely identified with the promotion of an idea or the success attributed to it. Many reward systems are based upon the monetary fulfillment that is linked to ideas that generate wealth for the firm. Ideally then, leader-managers are charged with facilitating a process and creating a climate where their subordinates can attain “optimal” fulfillment through the creation and recognition of productive, economically-viable ideas. Discord can occur when there is no process for addressing alternative ways of looking at an issue. To lessen those interactions, firms can utilize ongoing training and development techniques – webinars, in-house seminars, cascaded meetings, etc., to reiterate the importance of idea formulation and support. Often we must be trained on the obvious – creating a climate where employees are valued for their brainpower requires a nurturing of productive ideas. According to the *Great Place to Work Institute*, who, along with Fortune Magazine sponsors the 100 Best Companies to Work For annual survey, 67% of a company’s score is based upon

climate/culture phenomena – management's credibility, job satisfaction, and camaraderie.[13]

Connect the Organization: Connectivity enables facilitation. Leader-managers in learning organizations build upon relationships in other functional areas to discuss and exchange ideas on implementing strategies. Demonstrating an environmental sensitivity, awareness and a company-wide cognition are crucial to promoting large scale organizational change. Promoting change requires the leader-manager to internalize mental models that welcome varied viewpoints throughout the organization.

By instituting training and development programs to provide leader-managers with the skills to understand how to facilitate open dialogue and ask developmental questions, organizations show a commitment to sustaining organizational change. Those who present a contrarian view to the principles of a learning organization can potentially uncover parts of the dark side of the enterprise (Janssen, 1996).[14] They may be irritated about making change or confused about how they will be impacted by the change. Acute listening and observation skills coupled with company-wide communication, i.e. an internal website to address specific organizational change issues or identified HR representative, are helpful during this scenario.

2. Performance: Performance measurement systems that target employee development and fulfillment can help to reduce organizational misalignment.

Performance issues related to the individual/organizational mismatch

Performance related misalignment can been felt in many facets of an Organization. Only the following are discussed in this essay:

1. Objective assessment
2. Knowing the business
3. Effective communication
4. Application of leadership skills
5. Performance measurement

Objective Assessment: An objective measurement process - especially when assessing human performance, can reduce conflict and provide a tangible direction/purpose for staff. An important function is to quantify effectiveness of human capital utilization; to illustrate gaps between the current and ideal states (Becker, Huselid, 2001).[15] Presenting issues and events that impact the organization in a fact-based manner adds credibility to the decision making process, and are vital to linking people to strategy and performance. Balanced scorecards, for example, measure the success of various strategies related to four disparate, but vitally connected parts of the organization: finances, people, customers, and internal processes. They are effective tools for helping firms cope with two major challenges – assessing performance from intangible assets, primarily human capital, and overcoming poor strategy execution (Person, 2009).[16]

The odds for organizational growth and relationship building are increased when strategic methodologies and models are ingrained in the culture. It's not the allegiance to a specific set of proven theorems, but an atmosphere in which

the presentation of nondiscriminatory ideas and perspectives is encouraged that fosters relationship building. Active relationship building – a constant connecting to and recognition that "I am part of a larger whole", is fundamental to obviating misalignment and organizational mismatch. An analogy that comes to mind, from a Western view, is that of a professional football team. Each player recognizes his specific role, contingent upon the play called by his team leader, while recognizing how his role could change depending upon the reaction of his teammates and actions by the competition. The player willingly accepts and responds to the external environment, always seeking to create an action that furthers collective advancement by generating benefit for other teammates. No one play happens exclusively. Notwithstanding physical conditioning, sports teams become exceptional through a collective awareness, intelligence and ambition. By assessing roles and responsibilities objectively, firms can reduce misalignment.

Know the Business: Within the context of building a learning organization, effective leader/managers demonstrate competent behaviors in three areas. First, they understand their business – its strategies, how it makes money, the larger industry, and its competitors. Essentially, the leader/coach should be fluent in both the internal and external environments that affect the organization. As quoted from Ram Charan, "…the best CEO's – the ones whose companies make money year after year – are like the best teacher you ever had. They are able to take the complexity and mystery out of business by focusing on core fundamentals. And they make sure that everyone in the company, not just their

executive colleagues, understands these fundamentals."[17] In order to align human capital within the organization, effective leader-managers know what resources are needed. Finally, it is difficult to accurately perform a needs assessment without comprehending the business and knowing its capabilities (Ulrich, 2002).[18]

Communicate Effectively: Second, leader-managers must grasp and communicate the connection and impact of his/her immediate area on the organization's success, while displaying foresight of future demands on subordinates. In addition to satisfying requisite planning questions, proper foresight, when nested in a climate of active and purposeful communication, stimulates idea generation, stifles boredom, and sharpens both attention and focus. Communication with subordinates on how various functional areas connect reinforces a systems view of the organization. This theme of connectivity exemplifies the importance of the "larger intention" Scharmer speaks to – that our responsibilities (the tasks we are paid to complete) – are tangibly linked to a process that results in a more beneficial world. It is this deeper, purposeful contribution that fuels passion – a drive or reason to be - that in a positive way, pulls one out of bed each morning (Senge, Scharmer, et al, 2005).[19] Passionate, competent employees are motivated and inspired by more than "having a job," and as a result are more akin to, and comfortable with, innovation. Leader-managers that are fortunate to work in innovative climates, recognize that their roles are largely that of facilitators – Sherpa guiding over

various terrain. In this role, leader-managers demonstrate "coaching with compassion" (Boyatzis, Smith, Blaze, 2006).[20]

Apply Leadership, Management and Coaching skills: Third, leader-managers must comprehend and apply certain basic tenets of management – (planning, organizing, directing, and measuring) – the tools, along with core principles of coaching, and from the Rogerian view, demonstrate congruence, positive regard, and empathy – the context (Kirschenbaum, Henderson, 1989).[21] This requisite repertoire of pliable skills is conducive to enabling the individual to grow and to develop leadership/citizenship skills. As much of a leader-manager's time is focused on improving the welfare of his/her charges, even though "meeting the bottom line" is often touted as the managers' job, it makes sense to be fluent in those fields (Goldsmith, Landsberg, 2006).[22] Regardless of the organizational structure - flat, bureaucratic, hierarchical, etc., it is the individual behaviors that define and create an organization's culture. Shaping culture is an on-going, non-linear process, impacted in part by the style and competency of its management.

Measure Performance: Organizational mismatch is attenuated by institutionalizing performance and behavior standards for all employees, especially leader-managers. Improving the competency and learning capabilities of leader-managers, while being mindful of the quote from Goodnight – "hire hard, manage open, fire hard", establishes the groundwork for the acceptance of organizational change to occur, and eases the transition to a learning

organization which, by definition, is an organization that not only accepts change, but adapts (learns) from it.

Adaptation to change is measured with and monitored by an internal performance management system (PMS) that is ultimately "owned by" management but administered by the organization's HR group. It would include specific tools, i.e., balanced scorecards, as well as strategic measurement and feedback mechanisms designed to improve human performance. A performance management system, combined with timely, personalized feedback is crucial for a successful implementation of sustained, strategic change in the management of human capital (Niven, 2006).[23]

Concluding Remarks

Organizational learning implies a willingness to recognize the need to change and a systematic adaption to, as opposed to a control of, change. If a scenario exists where one leader-manager has substantiated alternative processes and behaviors that run counter to the larger organizational culture, then that particular manager has either a great opportunity (hopefully), or the need to assess the "marriage". The larger culture is greater than any one person; going "against the grain" when it is politically infeasible to do so comes with certain risks - including the risk (or opportunity) of departure. On the other hand, if it has been determined that there is political support for what appears to be a seismic cultural shift, and the leader-manager has the savvy and support to pull it off, then he/she should passionately move ahead.

This essay has been largely based upon the latter scenario. Assessments of the political and cultural landscapes are essential success factors. The key is to accurately sense that the organization will be obligated to change, and whether the future state envisioned by the leader-manager aligns with that change. Additionally, successful and mutually beneficial organizational relationships, are not simple transactional interactions; they are intended to become transformational. Employees, especially those in knowledge-based occupations, must continue to learn in some capacity in order to respond to a competitive landscape. Personal and professional growth and development impact the transformation process. Organizations with a long-term view seek to maximize their return on human capital through innovative outputs that yield positive business results, all the while remaining cognizant of all factors that affect employee productivity – on or off the job.

Stressors created in some cases by external factors, i.e. neighborhood foreclosures, unemployed spouses, the fear of being laid off, overall societal anxiety, all affect the attitude or mood one brings to the job, and therefore, how one performs on the job. The external and internal environments are inextricably linked. That said, learning organizations recognize that different levels and types of training, developmental and coaching interventions are part of managing talent to achieve a higher return on human capital. By embedding interventions to promote a climate of shared commitment, trust, objective performance measurement and employee development, organizations can increase learning and diminish misalignment.

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